

Competing in the 21st Century

Agricultural Outlook Forum 2003

February 20, 2003

NPPC – The Organization

- **The Advocate**

- ◆ In Legislation
- ◆ In Regulation
- ◆ In Legal Defense
- ◆ In International Trade Policy

- To Achieve “**Freedom to Operate**”

- Separate from National Pork Board

Competing in the 21st Century

◆ External Threats, Challenges & Opportunities

- Activists
- International Trade
- Country of Origin Labeling
- Environment
- Animal Welfare
- Antibiotics

Activist Attacks 2002

- ◆ Animal Rights Ballot Issues
- ◆ Robert F. Kennedy Jr.
- ◆ Antibiotic Claims
- ◆ Fast-Food Restaurant Lawsuit
- ◆ PETA

PETA Billboard



PETA

Eating meat can make you impotent • GoVeg.com

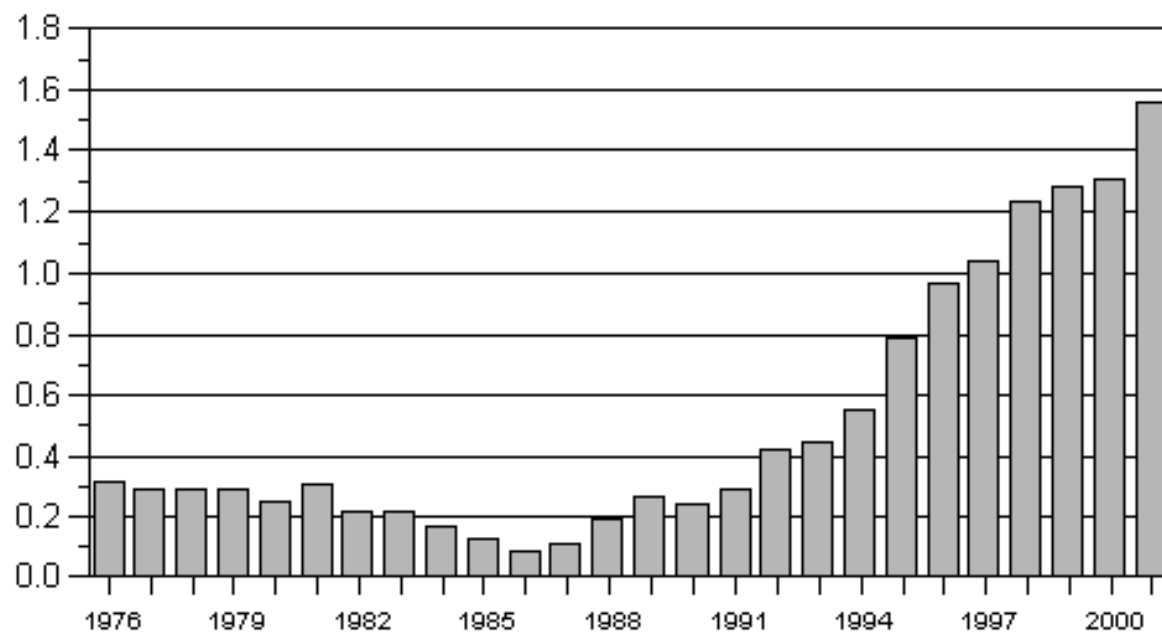
International Trade

- ◆ Trade Promotion Authority
- ◆ High Import Tariffs
- ◆ Import Quotas
- ◆ Non-Tariff Barriers

U S PORK EXPORTS

Carcass Weight, Annual

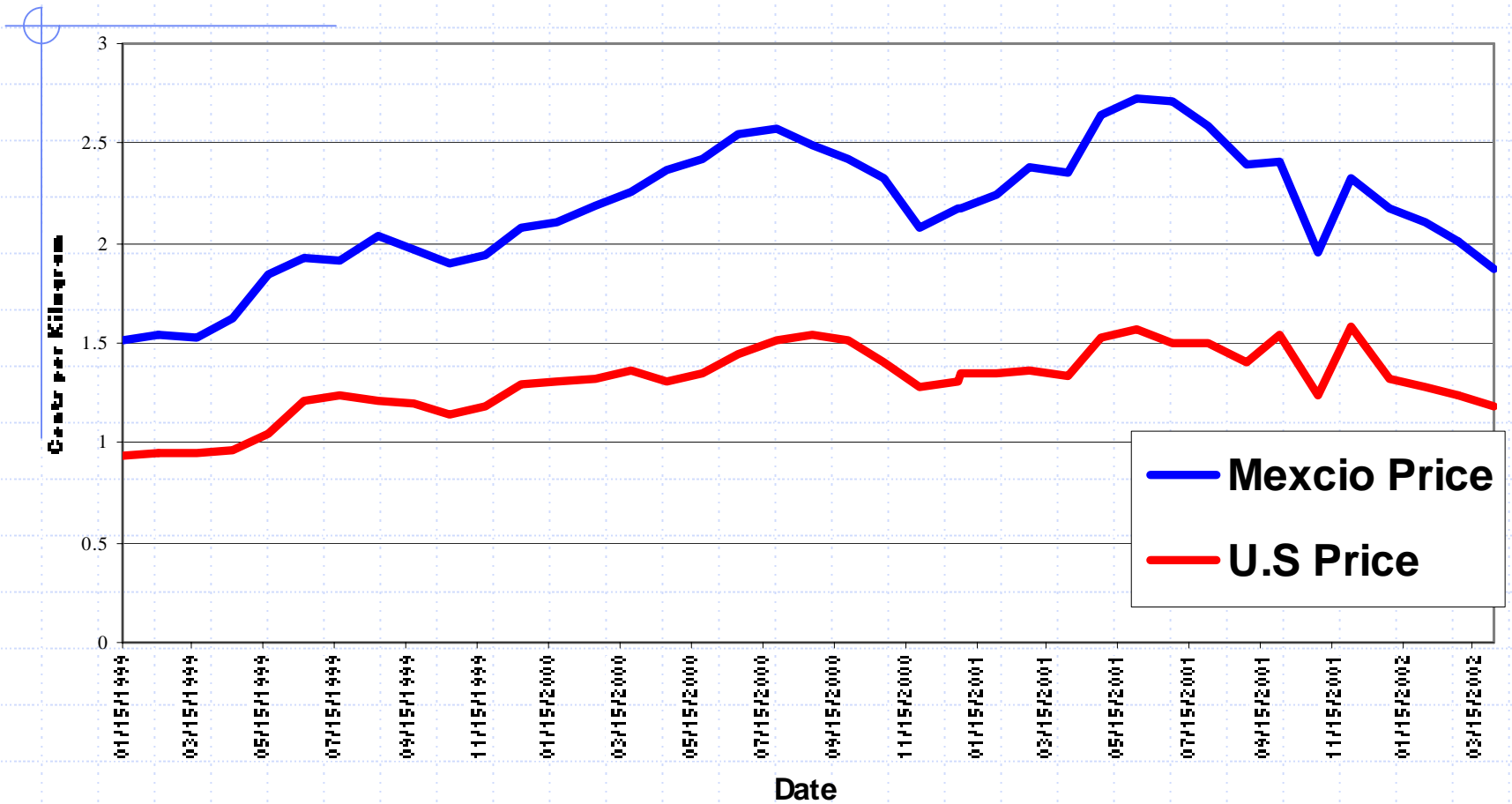
Bil. Pounds



International Trade

◆ Mexican Anti-Dumping Case

Figure 1. Comparison of Prices Received by Hog Producers in the U.S. and Mexico



International Trade

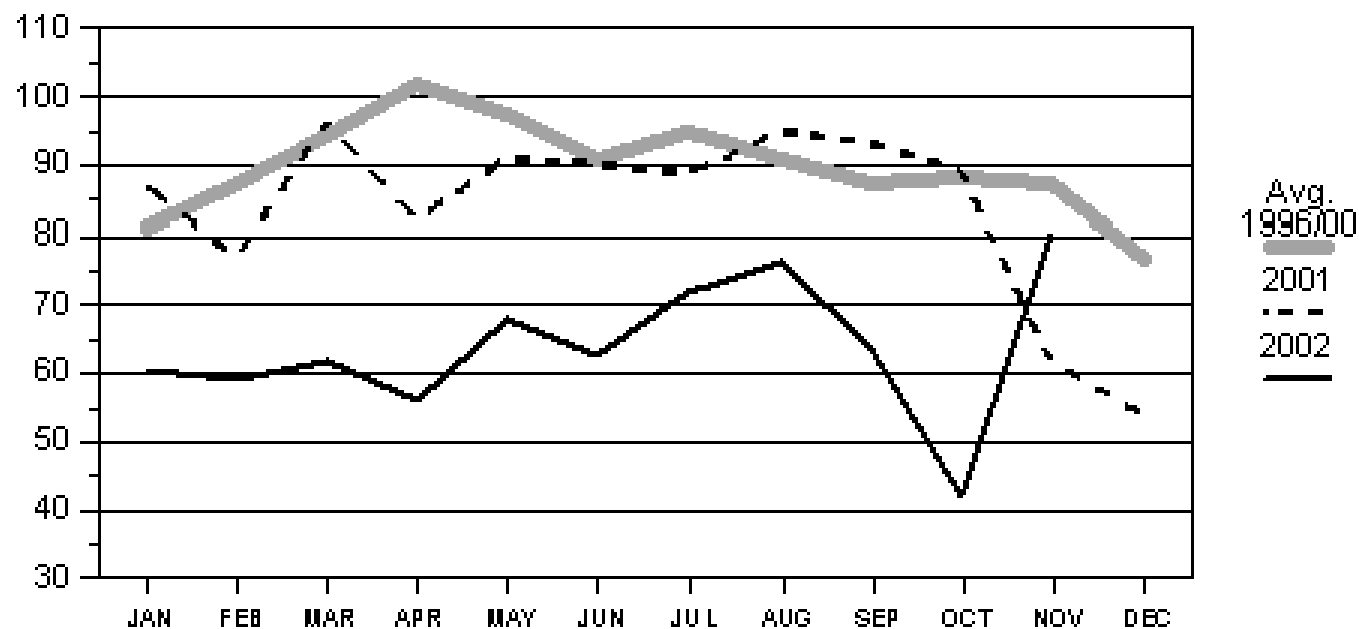
◆ Disease Outbreaks

- FMD UK
- BSE Japan
- END California & Nevada

U S BEEF EXPORTS TO JAPAN

Monthly, Carcass Weight

Mil. Pounds



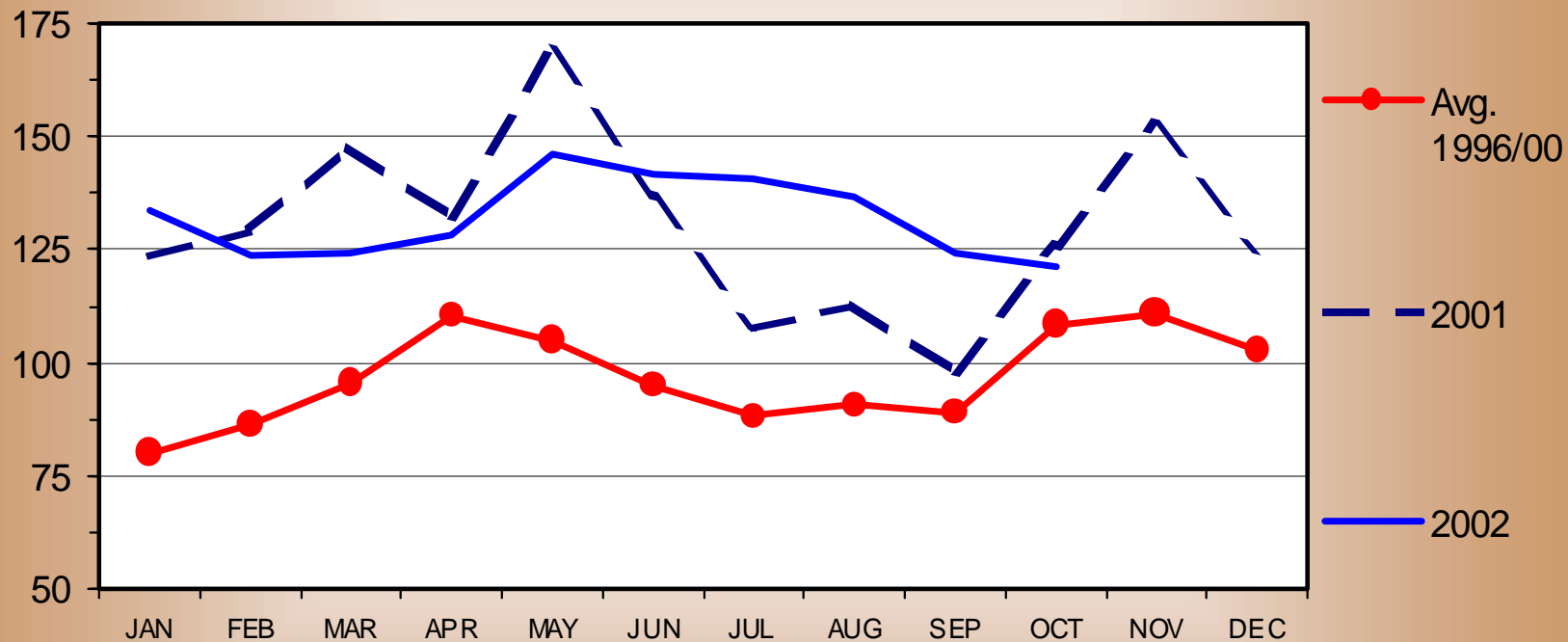
Livestock Marketing Information Center

FN-37
01/19/03

U S PORK EXPORTS

Carcass Weight, Monthly

Mil. Pounds



Country of Origin Labeling (COOL)

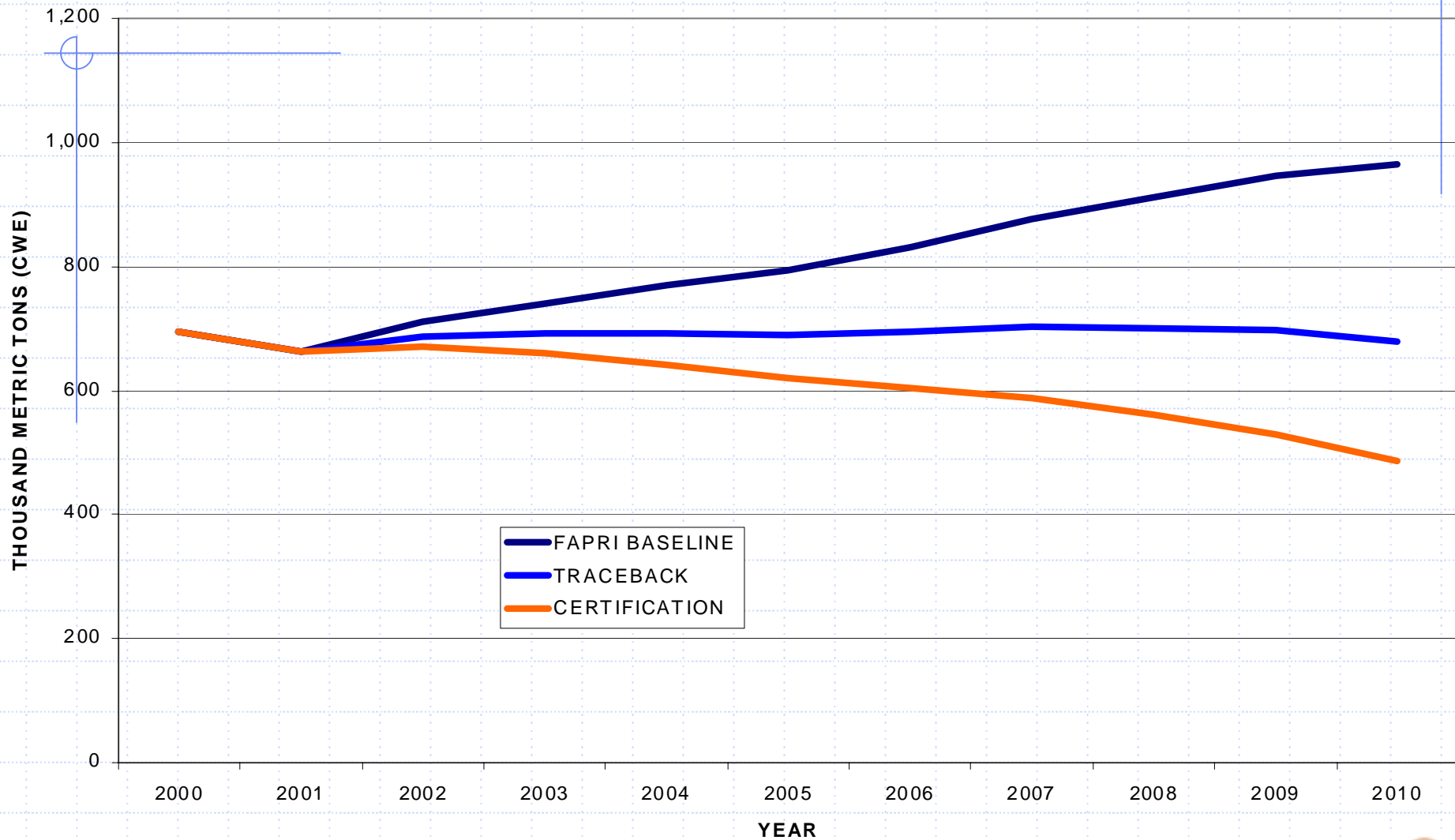
- ◆ Included in Farm Bill
- ◆ "Born, Raised & Slaughtered
- ◆ Costs
 - USDA - Record Keeping
 - ◆ \$1.9 Billion
 - ◆ \$1.0 Billion for Producers

Country of Origin Labeling (COOL)

◆ Costs

- Full Traceback System for Pork
 - ◆ \$10.22 per Head
 - ◆ \$1.0 Billion
- Certification with Audit
 - ◆ Less Expensive
 - ◆ Devastating to Exports
 - 50% Lower by 2010

PROJECTED U.S. PORK EXPORTS UNDER CERTIFICATION, TRACEBACK AND A FAPRI BASELINE.



Environment - CAFO Rule

- ◆ Raises the “Environmental Bar”
- ◆ 1000 Animal Units
- ◆ Applies to 15,500 Livestock Operations
 - Up from 4,500
 - 11,000 Required to Apply by 2006
- ◆ New Requirements

Environment - Air Quality

◆ NAS Study

- Requested by EPA & USDA
- Need for Science-Based Methods

◆ Recommendations

- Develop methods for:
 - ◆ Measuring
 - ◆ Determining Spread

Animal Welfare

- ◆ Ballot Issues in OR & FL
- ◆ New Handling Requirements in Farm Bill
- ◆ FMI / NCCR Animal Welfare Committee
 - Audits
- ◆ National Pork Board
 - Swine Welfare Assessment Program

Antimicrobials

- ◆ New FDA Framework Document
 - Guidance for Evaluating Antimicrobial Resistance
- ◆ Ability to Treat Groups
- ◆ Danish Experience
 - Banning Feed Antibiotics Increased Usage

Competing in the 21st Century

◆ External Threats

- Environment
- Trade Barriers
- Legislation / Regulation

◆ To achieve “Freedom to Operate”

◆ Change

"We live in a moment of history where change is so speeded up that we begin to see the present only when it is already disappearing."

- R. D. Laing, *The Politics of Experience*